

Mr. DURBIN. I say to the Senator from Iowa, he and I have a mutual friend in former President Bill Clinton who spoke to a group of Democratic Senators a week or so ago. He said: When you look at this budget and you project what this administration and this budget are headed to, it is the concentration of wealth and power in America, the breakdown of our effort to enlarge the middle class in America and, frankly, to accept—sadly—the reality of the haves and have-nots, the disparity in income.

We don't find in this budget an effort to lower the ladder to allow people to come climbing up, as your parents and my parents and we did in our own lives. That is the worst part of this budget, as the Senator said, tax breaks for wealthy people, for this to be the hallmark of this administration for the next year. It has failed to lift the economy. It has failed to create jobs. What it has done is drag us deeply and deeply into debt.

The Senator brought up the issue of Social Security. We went through the Medicare bill, the prescription drug bill. I have certainly been back to talk to my seniors in Illinois about it. What have you found in Iowa as you traveled around about that bill?

Mr. HARKIN. Well, again, people in Illinois are not that much different than the people in Iowa. I hear the same things you hear. People are frightened. They are not frightened of Saddam Hussein. They are not even frightened by Osama bin Laden. They believe we will have the power and the wherewithal to protect our citizens, maybe not with absolute certainty but with enough that they will feel comfortable in their homes and businesses and in their travel.

What they are frightened about is their kids' education. They are frightened about not being able to pay the next health care bill because they don't have adequate health insurance. They are concerned about whether or not there is going to be a viable Medicare system for their parents, and whether their parents will truly get any prescription drug help at all. There is some confusion right now. People were promised a prescription drug benefit. It passed the Congress last year. The President signed it. Now we are finding out that it is not going to help them that much and that most of the money is going to the pharmaceutical companies.

That is what I find. People in Iowa are afraid that we are headed in the wrong direction. I sense this kind of mood among people, that they know it is not right.

Mr. DURBIN. One of the Presidential candidates, one of our colleagues, refers to two Americas, an America for the wealthy and an America for everyone else. What the Senator has just described is what I hear. People who really believed in the American dream thought that with enough hard work and the right values you could succeed.

That is what brought my mother as an immigrant to this country and millions like her. Now the concern is that despite your good values, despite your effort, despite your hard work, you can't reach that point of security because the Senator from Iowa is hearing, as I am, retirees finding that their retirement benefits are being cut off. Their health care benefits are cut off.

These people also wonder if Social Security and Medicare will be there when they need it. If we reach the point where we have diminished those institutions through the prescription drug bill on Medicare, through this budget and its raid on the Social Security trust fund for years to come, then, frankly, we have walked away from the heritage we received.

Mr. HARKIN. If the Senator will yield.

Mr. DURBIN. I am happy to yield for a question.

Mr. HARKIN. There was a recent article in *Time* magazine talking about how life in America now for many middle-income families, low-income families has become a game of chance. The game is kind of rigged against you.

I remember reading a little newspaper article and the headline was: Vietnamese Immigrants Achieve American Dream, Win State Lottery. The story went on to talk about this Vietnamese couple. They bought a lottery ticket and won the lottery. The idea that this is the American dream, a one-in-a-million chance of winning the lottery, that is the American dream, that our life is a roll of the dice, the odds are a million to one against you. No, that is not the American dream. The American dream is what your parents and my parents did, to work hard, to save, to buy a home of their own, to educate their kids and build a better life.

Mr. DURBIN. Let's pursue one aspect of that which has been an issue on which the Senator has been the leader. Not only has this administration cost us 3 million jobs during the 3 years plus that the President has been in office, more jobs lost than any President since the Great Depression, but now, to add insult to injury, the hardest working Americans, the ones who say we are going to keep going, not just 40 hours a week but whatever it takes for our family, those working hard with time away from their family, working overtime to pay the bills, to get the money together for college, would the Senator from Iowa share with those who are following this debate what this administration has done to overtime pay for Americans for the first time in history?

Mr. HARKIN. It is amazing. Last year this administration came out with proposed rules to change how overtime is figured. Those changes were made without one hearing, not one. Without any consultation with Congress, they just rolled them out there. There was not one public hearing on it.

Without going into all the fine details, it basically means that up to 8

million Americans will have their overtime pay protection removed.

One person said to me: My time with my family is premium time. If I have to give up my premium time with my family to work overtime, I ought to get some premium pay at time and a half.

That has been in law since 1938, the Fair Labor Standards Act. This administration, with one stroke of the pen, one set of proposed rules is going to undermine overtime pay protections for up to 8 million Americans. I can't fathom why they would want to do this to hard-working Americans.

Mr. DURBIN. What was the name of the law?

Mr. HARKIN. The Fair Labor Standards Act.

Mr. DURBIN. The Fair Labor Standards Act of 1938. Is this not the only time since the passage of this law that any President, Democrat or Republican, has reduced overtime coverage and protection for American workers? This is the first time it has ever been done?

Mr. HARKIN. That is true. I want to be very fair. We have changed the Fair Labor Standards Act a number of times since then because some of the job descriptions, buggy whip manufacturers and buggy harness makers, have gone out, obviously.

But, at the same time, we have always expanded overtime pay protection. So the Senator is right. This is the first time since 1938 where an administration has said we want to restrict, tighten down, the amount of people who are eligible for overtime pay protection.

Mr. DURBIN. To follow up on that point, is my impression correct that the Bush administration didn't just sign the law, they sent out information to employers across America saying here is the way to cut the overtime pay of your employees; that the Bush administration proactively sent out this information encouraging employers to cut their employees off of overtime?

Mr. HARKIN. Well, the Senator is right. Again, this is mind-boggling. I will say this—and again to be as fair as possible—there was one part of the proposal that was good, which was to raise the low-income base from about \$8,000 to about \$21,000. That means that right now, no matter who you are in this country, if your pay is less than \$8,000 a year, you are guaranteed overtime regardless of what you do. Well, that needed to be raised for some time. Nobody argues that. They wanted to raise it to \$21,000. We agree with that. But in doing so, they issued advice to employers on how to get around it. They said we are going to raise the base to \$21,000, but here is advice on how to get around it. No. 1, what you do is simply work your people longer and you build that into their base pay. So you work them longer, but you don't have to pay them any more.

Secondly, they said if they are near \$21,000—let's say \$20,500—you may want to raise their pay to \$21,000 and then